

Internal Revenue Service
P.O. Box 2508
Cincinnati, OH 45201

Department of the Treasury

Number: 200945072
Release Date: 11/6/2009

Employer Identification Number:

Contact Person - ID

Date: August 10, 2009

Contact Telephone Number:

UIL 4945.04-04

LEGEND

X= Name of Grant Program
Y= Geographical area
Z= Educational institutions

x= Grant amount

Dear :

We have considered your request for advance approval of a grant-making program under 4945 (g)(1) of the Internal Revenue Code, dated January 21, 2009, with a postmark date of January 22, 2009.

Our records indicate that you were recognized as exempt from Federal income tax under section 501(c)(3) of the Code and that you were classified as a private foundation as defined in section 509(a).

Your letter indicates that you will operate a grant-making program, named X, that will be awarding scholarships to nursing students enrolled full time or part time in an accredited Y nursing education program leading to licensure as a registered nurse, and/or graduate and doctoral degree in advanced clinical practice. Grants are to be utilized by the students for tuition, books, fees, and/or related school expenses. Recipients will be attending Z.

Grants generally range from x for first time applicants. Students may apply for more than one award, however, only one grant will be considered by the Board in a fiscal year. Second time (or more) applicants are generally approved for a lesser amount; taking into consideration the school the student is attending and the demonstrated need.

The selection criteria include:

- The type of program in which the student is enrolled – Diploma, A.D., BSN, MSN, Doctorate of Nursing Science, and the name of the institution.

- The expected date of graduation
- Present Grade Point Average
- Previous schools attended and degrees attained
- The date of any previous applications to W and amounts awarded if granted.
- Brief statement of reason for requesting financial assistance.

In addition, each applicant must provide the following:

- An official Registrar's letter with the embossed school seal, confirming enrollment in the Nursing program and is to be sent from the school to you. Transcripts are not accepted.
- A nursing faculty member/advisor letter of recommendation, which may be enclosed with the application.

The selection committee will consist of your President and Corresponding Secretary. A recipient cannot be related to a member of the selection committee or to any "disqualified persons" related to you. All applications will be reviewed for completeness. When questions or concerns arise regarding student applications, the student, faculty member or school of nursing is contacted for clarification. The President prepares a written summary of each application for the Board's review at a Board meeting. The Corresponding Secretary maintains a complete file on each applicant, and presents the file of each applicant before the Board.

Your procedures for exercising supervision over Grants:

- You expect a progress report from the grantees. If no report is forthcoming, or if a report indicates that funds are not being used in furtherance of the scholarship purpose, the Board of Directors will conduct an investigation, take reasonable steps to prevent awarding further grants, and to recover diverted funds if possible.
- You will contact students, who have not provided a progress report following receipt of their grant, and request information.
- Directors of the Schools of Nursing will receive written correspondence, on a yearly basis, with the names of students who have received grants.
- You will contact educational institutions each semester for verification of student level and continued progress.
- A final report is requested from the School of Nursing upon completion of the grantee's course of study.

You will permanently retain all records submitted by the grantees and their educational institutions. You will obtain and maintain in your files evidence that none of your members or of the Selection Committee is related to any recipient.

Sections 4945(a) and (b) of the Code impose certain excise taxes on "taxable expenditures" made by a private foundation.

Section 4945(d)(3) of the Code provides that the term "taxable expenditure" means any amount paid or incurred by a private foundation as a grant to an individual for travel, study, or other similar purposes by such individual, unless such grant satisfies the requirements of subsection (g).

Section 4945(g) of the Code provides that section 4945(d)(3) shall not apply to individual grants awarded on an objective and nondiscriminatory basis pursuant to a procedure approved in advance if it is demonstrated that:

- (1) The grant constitutes a scholarship or fellowship grant which is subject to the provisions of section 117(a) and is to be used for study at an educational organization described in section 170(b)(1)(A)(ii);
- (2) The grant constitutes a prize or award which is subject to the provisions of section 74(b), if the recipient of such prize or award is selected from the general public, or
- (3) The purpose of the grant is to achieve a specific objective, produce a report or similar product, or improve or enhance a literary, artistic, musical, scientific, teaching, or other similar capacity, skill, or talent of the grantee.

Section 53.4945-4(c)(1) of the Regulations provides that to secure approval, a private foundation must demonstrate that:

- (i) Its grant procedure includes an objective and nondiscriminatory selection process;
- (ii) Such procedure is reasonably calculated to result in performance by grantees of the activities that the grants are intended to finance; and
- (iii) The Foundation plans to obtain reports to determine whether the grantees performed activities that the grants are intended to finance.

Based on the information submitted and assuming your award programs will be conducted as proposed with a view to provide objectivity and nondiscrimination in making the awards, we have determined that, effective January 22, 2009, your procedures for granting the awards comply with the requirements contained in section 4945(g) of the Code and that awards granted in accordance with such procedures will not constitute "taxable expenditures" within the meaning of section 4945(d)(3).

In addition, we have determined that awards made under your procedures as of January 22, 2009, are excludable from the gross income of the recipients subject to the limitations provided by section 117 of the Code.

This determination is conditioned on the understanding that there will be no material change in the facts upon which it is based. It is further conditioned on the premise that no grants will be awarded to foundation managers, or members of the selection committee, or for a purpose that is inconsistent with the purpose described in section 170(c)(2)(B) of the Code.

The approval of your award program procedures herein, effective January 22, 2009, constitutes a one-time approval of your system standards and procedures designed to result in awards which meet the requirements of section 4945(g)(1) of the Code. This determination only covers the grant programs described above. Thus, approval shall apply to subsequent award programs only as long as the standards and procedures under which they are conducted do not differ materially from those described in your request.

Any funds you distribute to individuals must be made on a true charitable basis in furtherance of the purposes for which you are organized. Therefore, you should maintain adequate records and case histories so that any or all award distributions can be substantiated upon request by the Internal Revenue Service.

This determination is directed only to the organization that requested it. Section 6110(j)(3) of the Code provides that it may not be used or cited as a precedent.

You must report any future changes in your grant making procedures. Please keep a copy of this letter in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Robert Choi
Director, Exempt Organizations
Rulings and Agreements